



## Supreme Court of Kentucky

Chambers, State Capitol  
Frankfort, Kentucky 40601  
502-564-4162

**John D. Minton, Jr.**  
Chief Justice of Kentucky

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### Judicial Branch Budget Overview, Fiscal Years 2012-2014

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Chief Justice John D. Minton Jr.

Testimony before the House Budget Review Subcommittee on Justice and Judiciary  
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Chairman Crenshaw, Members of the House Budget Review Subcommittee and Guests,  
Thank you for inviting me to give an overview of the Judicial Branch's budget requests.

#### **Opening Remarks**

I'd like to preface my remarks by saying that this scenario is becoming all too familiar. Once again we find ourselves in the middle of a biennial budget session, grappling with too many needs and too little money. I want to assure you that I'm sensitive to the sobering fiscal realities we're all operating under.

Throughout the state's financial crisis, I've felt that I've had two options. I could postpone making critical funding requests for the court system or I could advocate for urgent needs that have been unmet for too long.

In 2010, I suspended requests for additional funding in deference to the state's dire financial situation. That left the Judicial Branch with several budget gaps that have since grown even larger.

As I come before you again in 2012, I believe I must exercise my other option, which is to request funding for crucial court needs that can no longer be ignored. I would be derelict in my duties as chief justice if I allow the limitations of today to impede our ability to carry out our constitutional duties tomorrow.

As you know, the Judicial Branch has been willing to make tough decisions to balance its budget. Since 2008, we've taken painful steps to absorb a 26 percent reduction in state appropriations. We've reduced our workforce by 8 percent – or 282 employees – through layoffs and attrition. We've implemented deep operating cuts and streamlined the organizational structure of the Administrative Office of the Courts.

We've even pursued savings in office and warehouse space for the AOC by entering into a lease-to-purchase agreement for the vacant Home Depot property in Frankfort. That move will save the state at least \$1 million a year in rent after the purchase is complete and give the state equity in valuable commercial real estate.

We've become a leaner, more efficient court system and have demonstrated time and again that we are good stewards of taxpayer dollars.

As we face a net loss to our operating budget over the next two years, we can find few places left to cut. We've overhauled our operations from top to bottom and additional layoffs would cripple our ability to offer timely access to justice. As you know, it takes people to carry out the work of the courts – 86 percent of our budget is tied up in personnel.

My top priorities as chief justice are to invest in the dedicated employees who work for the Court of Justice and to invest in the technology that will improve court operations in every county.

As you make difficult budget decisions in the coming weeks, I ask you to give the utmost consideration to the vital needs of the court system and provide adequate funding for the Kentucky Judicial Branch.

### **Case Management System**

The centerpiece of our budget request is an entirely new court case management system. This is the first time the Judicial Branch has requested funding for an IT project of this magnitude.

Our current case management system is based on technology that's nearly 25 years old and is running on programming that's more than 10 years old. The tools used to maintain the system became unsupported in 2008. The system still works and we still maintain it, but no one knows how much longer this Band-Aid approach will work.

The Commonwealth Office of Technology and the National Center for State Courts have both looked at our system and termed it on life-support. The system is well beyond its life expectancy and is functionally and technically obsolete. They also recognize the consequences of a catastrophic system failure and have called for a system replacement to be a high priority.

Simply put, we are at serious risk.

Currently, each county maintains a separate database and cannot access case information from other counties. That means we maintain 120 databases for our current case management system at the trial court level. We also maintain separate systems and databases for the two levels of appellate courts.

Due to the legacy of this system and the tools used to create and maintain it, it takes longer and costs more when we have to modify it to comply with legislative mandates. We can't easily adapt the system to support electronic filing or electronic records, which means that Kentucky is quickly falling behind the mainstream of court technology.

We must replace our old system as quickly as possible.

The new system, as we envision it, will transform the way Kentucky courts do business. In addition to securing our current and historical court data, we'll be able to quickly and accurately answer questions from the Executive and Legislative branches and other state agencies.

We'll also be better able to provide information that our justice system partners – including the Justice Cabinet, Department of Corrections, Kentucky State Police, Department of Public Advocacy, legal aid societies, local law enforcement, private attorneys and others – rely on to carry out their daily business.

We'll be able to consolidate our internal databases and give statewide systems the ability to interact with each other, something that is impossible now. We'll also be able to reduce errors, eliminate manual and redundant processes, and gain the ability to track one person through the court system.

This new system will be implemented in three phases and we're requesting authorization to issue bonds for Phase I. That request amounts to only \$2.2 million in debt service per year. We're prepared to begin work on Phase I immediately.

Nearly 1.1 million court cases flow through Kentucky's courtrooms each year. The work of the Judicial Branch affects nearly every Kentuckian and I can't think of any other capital technology project that will have such a positive impact on so many people statewide. The Capital Planning Advisory Board has given its approval for this project and I hope that we can count on your support as well.

### **Pretrial Officers**

House Bill 463 enacted penal code reform designed to save the state millions by placing low- and moderate-risk defendants into diversion and treatment programs instead of incarcerating them in county jails.

Only months after the bill was enacted in June 2011, this legislation is having the intended effect of saving money by shifting state resources.

Since the passage of House Bill 463, our Pretrial Services data has shown a 15 percent decrease in the number of defendants arrested and a 4 percent increase in the overall release rate. Pretrial Services has seen a significant increase in the number of defendants ordered to the Monitored Conditional Release Program for pretrial supervision.

This has caused a sharp spike in the workload for our pretrial officers, who supervise the individuals in diversion programs. Pretrial officers are finding it difficult to meet statutory requirements with our current staffing levels. I've requested funding to hire 25 more pretrial positions statewide and to pay all of our pretrial officers a competitive salary that will prevent them from leaving the court system for higher-paying jobs with the Department of Corrections.

### **Compensation Plan**

The Kentucky Court of Justice is able to provide exceptional service because of the dedication and hard work of our judges, circuit court clerks and court personnel. Yet our ability to attract and retain top talent has become compromised as the Judicial Branch falls further and further behind the entry-level salaries for the Executive and Legislative branches. My goal is to pay our workforce on a scale that is competitive with the rest of state government.

To that end, I put together a Compensation Commission to review the Judicial Branch's salary structure and provide recommendations on how to make it more fair and competitive. This group is made up of judges, circuit court clerks and court personnel and has been meeting since the fall of 2010.

I'm asking for an appropriation that will allow us to bring Judicial Branch salaries in line with the other two branches of government.

### **Judicial Form Retirement System**

Funding for the Judicial Form Retirement System comes from the Judicial Branch budget. Although the judicial retirement system has historically operated with a solid financial record, the budget passed in 2010 was the first time the Judicial Form Retirement System was not fully funded.

I realize that all state pension systems are dealing with the ramifications of underfunding. However, I believe it's my obligation to keep the judicial retirement program solvent. For that reason, we requested \$10.8 million in each year of this budget to fully fund the retirement system for judges.

### **Judicial Centers**

Our budget request includes authorization for new judicial centers for Henry and Nicholas counties. The Judicial Branch last requested one judicial center project in 2008. Since then, the AOC has assessed 48 judicial centers that have gone without major repairs or renovations since 1996. Henry and Nicholas are the counties most urgently in need of new buildings.

### **Family Court Judgeships**

And finally, our budget request includes three new Family Court judgeships. The Supreme Court has identified the statewide implementation of Family Court as one of the needs facing the court system, but we recognize that some jurisdictions don't have the caseload to justify another judgeship. We're working through this issue to make sure there's an equitable distribution of judicial resources across the state.

For now, three circuits have the greatest need for a new Family Court.

Of the three judgeships we're requesting, the top priority is for the legislature to create and fund a new Family Court in Knott and Magoffin counties. We've been running a 10-year "pilot project" that allows the Family Court judge elected in Floyd County, which is the 31st Judicial Circuit, to also serve as the Family Court judge in the 36th Judicial Circuit, consisting of Knott and Magoffin counties. This arrangement is untenable for many reasons.

We've also requested a second Family Court judge for Lincoln, Pulaski and Rockcastle counties – the 28th Judicial Circuit – to help bear some of the load carried by Judge Walt Maguire, who currently has the highest caseload of any family judge in the state.

And finally, we've asked to add one Family Court judgeship and convert one district judgeship into a Family Court judgeship to relieve the Circuit Court caseload in Daviess County. This would mean a total of two Family Court judges for the 6th Judicial Circuit. Daviess is the most populous county in the state without a Family Court. Currently two domestic relations commissioners hear all of the family law matters there and converting the district seat into a family seat will help domestic matters move more quickly and effectively in that jurisdiction.

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That concludes my prepared remarks and now I will be happy to take your questions.

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